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ABSTRACT

Policy assumptions, concerns, and recommendations from the leaders of independent colleges and universities are offered to contribute to the development of a public policy for higher education in North Carolina. The independent sector differs from the state sector in patterns of funding and governance. Benefits provided by the independent college are described, and information is provided on enrollment, costs, programs, and faculty and student quality in the 38 accredited independent colleges and universities. A state higher education policy of planned diversity, with autonomous institutions in a coordinated system, is advocated. A balance must be found between the two extremes of a command-and-control and totally free market system. An incentive system is favored whereby more and better information and an equitable percentage of student support will allow the consumer the option of several choices. Institutional boards of trustees provide the necessary mechanisms for quality control, with the ultimate accountability resting in the General Assembly's authority to withhold support from students attending institutions with unsatisfactory practices. Planning principles, financial trends and indicators, and projections for enrollment and financial support are discussed. Recommendations are offered on enrollment, funding, and planning. An inventory of the academic, occupational, and technical programs offered at North Carolina independent colleges and universities is appended. (SW)

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Planned Diversity:

A Public Policy for Independent Higher Education in North Carolina

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May, 1978

Council of Trustees for
Independent Higher Education

COUNCIL OF TRUSTEES FOR
INDEPENDENT HIGHER EDUCATION
P. O. Box 10187
Raleigh, N. C. 27605

To the People of North Carolina, Governor James B. Hunt, The General Assembly of North Carolina, the Board of Governors of the University of North Carolina, the State Board of Education, and other interested institutions and agencies of the State:

On behalf of the presidents of North Carolina's thirty-eight independent colleges and universities, the over 25,000 North Carolina undergraduates attending these institutions and the over 1200 trustees who govern them, we hereby transmit our thoughts and recommendations concerning the development of a public policy for higher education in North Carolina.

This document represents the policy assumptions, concerns, and options which we in the independent sector believe are central to the development of a coordinated system of higher education in North Carolina as specified in G.S. 116-11(1). It is <u>not</u>, therefore, a long-range plan for the institutions or the sector, and does not pretend to address or make recommendations concerning the full range of complex educational and environmental issues which confront the independent colleges and universities.

G.S. 116(11)1 and G.S. 116(11)11 require the UNC Board of Governors to consult with the independent colleges and universities in the development of a statewide long-range plan for higher education, and to assess the needs and contributions of these institutions in order to make recommendations consistent with the statutory mandate "that the resources of these institutions may be utilized in the best interest of the State....". The following policy paper is intended to address both of these requirements from the perspective of the independent sector.

This paper does not deviate from the basic policy positions the

independent sector has espoused over the years. We continue to support low tuition in the state universities, community colleges and technical institutes as part of the overall state policy of keeping tuition low for all students choosing to enroll in any accredited North Carolina college or university. The wise public policy of low tuition in the state sector has meant that in a time of accelerating inflation the State has chosen to increase expenditures for public institutions to meet increased costs. These same costs in the independent sector have been passed along to the students in the form of tuition increases. As a result the price a student pays to attend an independent versus a state college has widened dramatically, with the option of attending an independent college pushed beyond the financial reach of more and more North Carolinians, especially the hard-pressed middle income families. The report and recommendations which follow outline the scope of this and other issues and suggest options for addressing them which minimize governmental expenditures and maximize student access and choice, while utilizing the resources of the independent sector most effectively.

This document is an essential first step for a comprehensive review of higher education policy in North Carolina. We believe it provides a framework for all parties to work together in planning for a system of undergraduate higher education in the 1980's which is equitable, efficient, and effective in meeting the needs of the people of the State, while maintaining the strong dual system which has served the State so long and well. In this spirit of cooperation we commend this report to you for consideration and action.

Respectfully,

William Womble, Chairman

Joseph Grier, Vice Chairman

Walter Brown, Secretary

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INTRODUCTION

Higher education in North Carolina today has evolved into a highly complex and diverse system of institutions. While these institutions may be classified as either primarily state controlled/operated or primarily independently controlled/operated, they both depend directly upon the love and support, financial and otherwise, of essentially the same individuals: the citizens of this State. In like manner, both sectors perform a similar basic public function: serving the needs, educational and otherwise, of the people of North Carolina.

In reviewing the history of higher education in this State it is quickly apparent that the early movement in North Carolina was largely privately-sponsored and supported. Public higher education, except for The University at Chapel Hill, did not develop until the latter quarter of the 19th century. The Moravians founded Salem Female Academy (now Salem College) in 1772 and provided the first independent higher education in the State in 1802 when boarding students were first admitted. Louisburg College evolved from Franklin Academy which was chartered in 1787 and opened its doors in 1805. The Baptists opened Wake Forest Institute (now University) in 1834; it was rechartered in 1838 as a collegiate institution. Davidson College was founded in 1837 by the Presbyterians. Guilford College was established in 1837 as a boarding school. Duke University traces its origins to a small subscription school founded in 1838. Greensboro College likewise was founded in 1838. Twenty-eight of these independent institutions were founded in the 19th century, twenty-two before the founding of any state college except for Chapel Hill.

Even after the initiation of the land grant colleges and the establishment of normal schools for training teachers in the latter quarter of the 19th century, the bulk of the enrollment was in private colleges until well into the present century.

From the origins of higher education in North Carolina to the present day, the private sector has been a full partner in the development of a diversified system. This document charts its intention and plans for continuing this vital service to the citizens of North Carolina, and makes recommendations to this end.

I. THE INDEPENDENT COLLEGE AS A PUBLIC RESOURCE

There are two primary systems of higher education in North Carolina performing a public function - the state sector and the independent sector. The similarities between the sectors are many and apparent, but there are significant differences. The differences do not relate to their general mission (both serve the educational needs of our citizens), so much as in the patterns of funding and governance. The independent sector is primarily financed through student tuition and private giving; the state sector through government revenues. Table I illustrates these differences well:

Table I

Revenue Sources as a Percentage of Total Educational and General Revenues in North Carolina

	Indep. 4-Year	*Public University*	*Indep. 2-Year*	*Public 2 Year*
Tuition and Fees	*61*	*13*	*58*	*7*
Federal	*10*	*21*	*11*	*7*
State & Local	*4*	*60*	*5*	*85*
Private Gifts, Grants, Contracts, and Endowment Income	*25*	*6*	*26*	*0*

Source: State Postsecondary Education Profiles Handbook, 1977 Edition, by ECS, NCHEMS, SHEEO

The second area of difference is in the control of these institutions. The independent colleges and universities are ultimately responsible to their individual boards of trustees, while the state universities are governed by the Board of Governors of The University of North Carolina and the community colleges and technical institutes by the State Board of Education.

The independent colleges and universities provide three major benefits to the State: they provide access and choice to thousands of North Carolinians, they broaden the diversity of educational programs and institutional types, and they represent a considerable savings to the taxpayer.

The term access generally refers to the proposition that a student should be economically able to attend some postsecondary institution. Implicit in the concept of choice is the requirement that a student should be economically able to choose among various institutions for which he is eligible, and attend the one which best serves his individual needs and aspirations. Equal educational opportunity demands that both access and choice are operative, and the independent sector is an essential component in the statewide system that provides a full range of opportunities.

We are a nation which was built upon the principles of freedom, autonomy and flexibility within a context of moral and ethical standards. To the extent that independent colleges reflect these values in their operations, they serve to perpetuate the democracy and diversity of our system. The centralization of State control in public higher education may well result in undue emphasis on uniformity. While there are threads of similarity running through the fabric of all independent colleges and universities, each retains a distinctive personality developed through years of service. Furthermore, the independent colleges and universities, due to their heavy reliability on student tuitions, must be continually sensitive to student needs and interests. This greater market orientation has placed the independent sector in the forefront of constructive change in higher education.

One important characteristic of the independent sector is its freedom to remain small. In North Carolina, with the exception of the two comprehensive independent universities (Duke and Wake Forest), the full-time equivalent enrollment of the independent institutions ranged from 250 to 2154 this fall, with the average institution enrolling around 1000 students. The literature of higher education reveals that

there are certain advantages to the manageable environment of a small, private college or university. Alexander Astin in his recent study on college students found that private colleges have a substantially greater positive impact than state institutions, with independent college students reporting that they are more satisfied with the quality of instruction and are more involved in campus activities, both academic and extracurricular.[1] Astin also notes that:

> "Small institutions foster a greater degree of altruism and intellectual self-esteem. But when it comes to student achievement and involvement, the results clearly favor smaller institutions. Students are more likely to participate in honors programs, to interact with faculty, to get involved in extracurricular activities, and to achieve in areas such as leadership, athletics, and journalism."[2]

Astin states further that the "economies of scale", often cited as an argument against the small institutions, are largely illusory. He explains that larger institutions actually spend more per student for educational purposes than the smaller colleges, citing pressures for graduate and professional education, a complex overhead structure and increased research activities.[3]

Perhaps most importantly, the independent sector serves as a public resource through its strong educational commitment to liberal learning. These liberal arts colleges offer a broadly-based perspective, which does not ignore on-going and long-range professional or pre-professional career options. Students are prepared for a lifetime of employment, i.e., the colleges look beyond the initial placement of the student to assure that students' education prepares them to grow and advance in a chosen profession. As our society becomes more specialized, the independent colleges and universities feel it is essential to move beyond narrow training to provide their students with a broad knowledge of the society and themselves, their history and humanity.

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[1] Alexander W. Astin, Four Critical Years (San Francisco: Jossey-Bass Publishers), 1977.
[2] Alexander W. Astin, "On the Failures of Educational Policy", Change, Vol. 9, No. 9, September 1977, p. 41.
[3] Ibid.

There are many additional indices of the impact of North Carolina's independent colleges and universities on the educational process and fiscal realities of the State. For example, the Independents enroll over a third of the undergraduate students attending North Carolina colleges. Almost half of these students come from other states, and their presence contributes to the economic strength of North Carolina. The independents also award over a third of the baccalaureate degrees conferred in the state and over half of the professional degrees in medical and legal studies.

Their investment in physical plant resources is listed at close to $675 million with a replacement value of well over a billion dollars. With combined operating budgets of over $325 million and combined endowments of over $225 million the independent colleges and universities represent a significant economic force in their local communities and across the State.

II. PROFILE OF THE INDEPENDENT SECTOR

The thirty-eight accredited independent colleges and universities in North Carolina have developed into a strong, cohesive sector of higher education in North Carolina. While autonomy and freedom are prized, the institutions are aware of the impact of public policy on their operation and the need to speak with a unified voice concerning policy developments. The private colleges and universities have formed a multi-purpose organization involved in educational and public information programs, research and public policy development. Through the North Carolina Association of Independent Colleges and Universities, the North Carolina Center for Independent Higher Education, Inc., and the Council of Trustees for Independent Higher Education, these private colleges are committed to working together for the support of all of higher education and the preservation and enhancement of independent higher education as a vital partner in the educational enterprise.

This section describes the independent sector in terms of enrollment, costs, programs and faculty and student quality.

ENROLLMENT

The independent colleges and universities recorded a total enrollment of 50,025 (47,691 full-time-equivalent students) in the Fall of 1977. Of this total, 44,876 (43,058 full-time-equivalent) are undergraduates and perhaps most significantly 25,583 (23,976 full-time-equivalent) are undergraduate North Carolinians.

For the purpose of developing a state policy with respect to independent higher education, and specifically the role of the colleges in educating North Carolinians, it is necessary to review more precisely the enrollment patterns of undergraduate North Carolinians. In 1962, out of some 54,000 North Carolina resident undergraduate students attending colleges in the State, 22,000 were enrolled in the independent sector, i.e., approximately two out of every five, or 41 percent. The independent sector's share of the total resident undergraduate population had

fallen to 30 percent by 1968, and to 21 percent by 1975. Out of nearly 34,000 additional North Carolina undergraduate students added between 1968 and 1975, virtually all were added to the government-controlled sector. And this did not include the technical and vocational students enrolled in the community college system.

In 1976 and again in 1977 the independent colleges reported an increase in the number of resident undergraduates enrolled. Table II lists the enrollment data by institution. During the past biennium, twenty-six of the thirty-eight independent colleges and universities registered an increase in FTE enrollment. Greensboro College was up over 34 percent. Johnson C. Smith University and St. Augustine's College increased 24 percent. Wingate College enrolled 21.5 percent more North Carolinians than two years ago. Campbell College was up 9.2 percent and Elon College, 6.8 percent. Additionally, several of the smaller institutions registered impressive gains in the number of North Carolinians enrolled: Warren Wilson College, 34 percent; Sacred Heart College and Brevard College, 27 percent; St. Andrews Presbyterian College, over 20 percent; North Carolina Wesleyan College and Mt. Olive College, over 10 percent; and Methodist College, 8 percent. Of the twelve institutions which registered a decrease in enrollments since 1975, only three institutions had a decline of more than forty FTE students over the biennium.

In terms of minority enrollment, the independent institutions follow essentially the same pattern as that found in the state university system. For example, Table III shows that the proportional enrollment of black students in the independent sector is comparable to that in the state university system. Comparing only the senior colleges and universities in the independent sector with the constituent institutions of The University of North Carolina, the enrollment of black students was identical, 18.7 percent in 1976-77.

TABLE II

Enrollment of Resident Undergraduates in North Carolina Independent Colleges and Universities
Fall, 1975, 1976, and 1977

	1975		1976		1977	
SENIOR COLLEGES	HC	FTE	HC	FTE	HC	FTE
Atlantic Christian	1,287	1,203	1,327	1,250	1,305	1,223
Barber-Scotia	264	260	350	344	277	275
Belmont Abbey	303	243	290	243	260	220
Bennett	238	237	249	243	246	242
Campbell	1,407	1,385	1,511	1,479	1,549	1,512
Catawba	498	473	480	466	462	450
Davidson	416	414	440	438	417	415
Duke	1,039	990	1,000	963	966	919
Elon	1,473	1,344	1,431	1,317	1,570	1,435
Gardner-Webb	959	928	983	938	975	938
Greensboro	373	335	457	428	477	450
Guilford	1,140	935	1,098	898	1,118	896
High Point	661	635	616	584	552	535
Johnson C. Smith	504	496	636	623	628	615
Lenior-Rhyne	921	894	922	891	922	879
Livingstone	460	459	515	463	580	542
Mars Hill	1,005	953	1,152	1,027	1,185	1,043
Meredith	1,283	1,094	1,296	1,124	1,300	1,138
Methodist	570	556	616	592	630	601
N. C. Wesleyan	360	316	344	303	388	348
Pfeiffer	751	704	714	675	705	658
Queens	368	284	433	332	349	256
Sacred Heart	186	141	216	171	210	179
St. Andrews	239	233	272	265	291	280
St. Augustine's	850	825	900	851	1,049	1,023
Salem	360	324	347	312	337	299
Shaw	678	669	652	640	679	639
Wake Forest	1,425	1,392	1,426	1,392	1,479	1,438
Warren Wilson	142	134	163	158	186	179
JUNIOR COLLEGES						
Brevard	308	299	339	328	386	379
Chowan	445	439	414	408	424	414
Lees-McRae	483	480	557	554	550	548
Louisburg	498	494	567	562	571	558
Montreat-Anderson	239	223	241	237	246	240
Mount Olive	322	293	298	287	343	330
Peace	474	472	492	489	467	463
St. Mary's	239	233	217	215	245	245
Wingate	1,021	965	1,093	1,050	1,259	1,172
TOTAL	24,189	22,759	25,054	23,540	25,583	23,976

TABLE III

Racial Composition of Headcount Enrollment Fall, 1976

	UNC All Institutions	The Independents All Institutions
Black (HC)	19,558	8,564
% Black	18.7	17.4
Non-Black (HC)	85,249	40,778
% Non-Black	81.3	82.6
Total Students (HC)	104,807	49,342
	Predominantly White Institutions	**Predominantly White Institutions**
Black (HC)	4,957	2,160
% Black	5.6	5.1
Non-Black (HC)	83,885	40,478
% Non-Black	94.4	94.9
Total Students (HC)	88,842	42,638

Source: Statistical Abstract of Higher Education in North Carolina, 1976-77

COSTS

Over the past decade, inflation has driven consumer prices for goods and services up dramatically. Higher education, as a labor intensive enterprise, has been especially hard hit by the inflationary price spiral. Table IV displays the increase in student tuition and fee charges at the independent colleges and universities over the past decade. From 1971-72 (when the first state aid to North Carolinians attending independent colleges was authorized) to 1976-77, the consumer price index (which reflects the cost of living for the average consumer) rose 42.6 percent. Over the same period the average independent senior college or university increased its charges 36.5 percent (and the average independent junior college 43.9 percent), reflecting the fact that since the student underwrites most of the cost in the independent sector, tuition has risen to keep pace with inflation. Given the

assumption that inflation will continue at a rate of 6 or 7 percent per year, it is envisioned that the per student cost of education will continue to rise. In the independent sector this means each student will pay in the range of $125 to $200 more per year in increased charges to attend one of the colleges, a similar increase in cost to that which must be anticipated in the state sector (irrespective of the question of who pays).

PROGRAMS

The independent colleges and universities offer a wide range of educational and co-curricular programs to the citizens of North Carolina. Appendix B lists the program offerings by institution. Over the past few years, the growth in programs in the independent sector and the state sector have paralleled the student demand.

Tave V reflects the fact that both sectors have experienced similar growth (or reduction) in the percentage of total degrees granted in key undergraduate program areas like education, business, and the social sciences, with the state sector showing a larger numerical increase reflecting the larger increases in student enrollment during the early 1970's.

The thirty-eight independent colleges and universities of North Carolina continually review their curricular offerings, both in terms of student demand and program quality. Where state policy is cooperatively developed, the independent sector stands ready to temper program developments to meet state needs. This policy should not be set in isolation by any board or agency which has a recognized conflict of interest. Where there is a retrenchment in demand, in the field of teacher education for example, the institutions in the independent sector will take appropriate and logical action. This illustrates an important point. The independent sector is accountable not only to federal, state, and accrediting agencies but moreover to the pressures of the market place. In the broadest and most telling sense these institutions are responsible to their own boards of trustees - over

Table IV

STUDENT TUITION AND REQUIRED FEES, 1968-69 THROUGH 1977-78
NORTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES

SENIOR COLLEGES:	1968-69	1970-71	1972-73	1974-75	1975-76	1976-77	1977-78	Increase since 1968-69 $	Increase since 1968-69 %	Increase since 1972-73 $	Increase since 1972-73 %
Atlantic Christian	$ 886	$ 988	$1,072	$1,247	$1,373	$1,498	$1,606	$ 720	81.2	$ 534	49.8
Barber-Scotia	585	971	971	945	1,045	1,147	1,260	675	115.4	289	29.8
Belmont Abbey	900	1,203	1,323	1,565	1,767	1,977	1,983	1,083	120.3	660	49.9
Bennett	881	1,181	1,260	1,415	1,565	1,615	1,770	889	100.9	510	40.5
Campbell	1,044	1,156	1,370	1,586	1,761	1,989	2,254	1,210	115.9	884	64.5
Catawba	965	1,222	1,468	1,753	2,031	2,181	2,296	1,331	137.9	828	56.4
Davidson	1,640	2,005	2,440	2,430	2,730	2,930	3,285	1,645	100.3	845	34.6
Duke	1,804	2,120	2,481	2,780	3,060	3,330	3,665	1,861	103.1	1,184	47.7
Elon	876	1,110	1,305	1,425	1,525	1,654	1,784	908	103.6	479	36.7
Gardner-Webb	850	1,135	1,370	1,740	1,840	1,952	2,056	1,206	141.9	686	50.1
Greensboro	1,120	1,330	1,450	1,650	1,670	2,030	2,090	976	87.1	640	44.1
Guilford	1,230	1,658	1,916	2,090	2,250	2,484	2,705	1,475	119.9	789	41.2
High Point	977	1,195	1,375	1,585	1,735	1,935	1,935	958	98.1	560	40.7
Johnson C. Smith	910	1,138	1,138	1,200	1,400	1,600	1,600	690	75.8	462	40.6
Lenoir-Rhyne	971	1,185	1,416	1,658	1,984	1,984	2,293	1,322	136.1	877	61.9
Livingstone	698	850	1,060	1,060	1,200	1,320	1,400	702	100.6	340	32.1
Mars Hill	1,024	1,210	1,480	1,650	1,850	2,060	2,210	1,186	115.8	730	49.3
Meredith	1,200	1,500	1,600	1,800	1,900	2,000	2,100	900	75.0	500	31.2
Methodist	915	1,100	1,411	1,511	1,610	1,735	1,866	951	103.9	455	32.2
N. C. Wesleyan	925	1,350	1,570	1,670	1,720	1,770	1,870	945	102.1	300	19.1
Pfeiffer	1,170	1,240	1,460	1,720	1,820	1,920	2,020	850	72.6	560	38.3
Queens	1,750	2,070	2,000	2,270	2,160	2,480	2,680	930	53.1	680	34.0
Sacred Heart	715	918	1,183	1,198	1,340	1,410	1,610	895	125.2	427	36.1
St. Andrews	1,440	1,685	2,003	2,100	2,100	2,200	2,450	1,010	70.1	447	22.3
St. Augustine's	1,035	1,285	1,420	1,430	1,495	1,600	1,735	700	67.6	315	22.2
Salem	1,704	2,037	2,250	2,349	2,549	2,700	2,800	1,096	64.3	550	24.4
Shaw	1,230	1,480	1,670	1,780	1,900	1,900	1,903	673	54.7	233	13.9
Wake Forest	1,250	1,700	2,050	2,200	2,400	2,500	2,750	1,500	120.0	700	34.1
Warren Wilson	1,030	1,350	1,591	1,885	2,100	2,200	2,410	1,380	134.0	819	51.5
JUNIOR COLLEGES:											
Brevard	$ 699	$ 892	$1,120	$1,210	$1,325	$1,450	$1,585	$ 886	126.7	$ 465	41.5
Chowan	750	800	995	1,210	1,295	1,415	1,495	745	99.3	500	50.2
Lees-McRae	850	1,000	1,125	1,195	1,215	1,360	1,514	664	78.1	389	34.6
Louisburg	755	1,110	1,220	1,300	1,400	1,400	1,600	905	119.9	380	31.1
Montreat-Anderson	920	1,070	1,205	1,326	1,326	1,430	1,534	614	66.7	329	27.3
Mount Olive	795	1,000	1,200	1,250	1,350	1,350	1,450	655	82.4	250	20.8
Peace	840	900	1,030	1,180	1,250	1,380	1,480	640	76.2	450	43.7
St. Mary's	780	837	1,104	1,580	1,784	2,070	2,195	1,415	181.4	1,091	98.8
Wingate	630	740	800	970	1,070	1,1[illegible]	1,290	660	104.8	490	61.2

Table V

UNDERGRADUATE DEGREES OFFERED IN THE SENIOR COLLEGES AND UNIVERSITIES IN NORTH CAROLINA

Field of Study	UNC Number Degrees Awarded 1971-72	% Of Total	1976-77	% Of Total	Cum. % Change	The Independents Number Degrees Awarded 1971-72	% Of Total	1976-77	% Of Total	Cum. % Change
Agriculture and Natural Resources	219.5	1.7	382	2.4	74.0	2	0.0	5	0.1	15.0
Architecture and Environmental Design	121.5	0.9	175	1.1	44.0	17	0.2	3	0.0	(82.4)
Area Studies	52.5	0.4	45	0.3	(14.3)	0	0	8	0.1	-
Biological Sciences	471	3.6	760	4.8	61.4	377	5.0	489	6.5	29.7
Business and Management	1,643	12.5	2,554	16.2	55.5	1,085	14.3	1,221	16.3	12.5
Communications	99.5	0.8	210	1.3	111.1	14	0.2	27	0.4	92.9
Computer and Information Sciences	76.5	0.6	62	0.4	(19.0)	21	0.3	13	0.2	(38.1)
Education	3,369.5	25.6	3,185	20.2	(5.5)	1,501.5	19.8	1,328	17.7	(11.6)
Engineering	916.5	7.0	793	5.0	(13.5)	73	1.0	107	1.4	46.6
Fine & Applied Arts	328	2.5	593	3.8	80.8	207.5	2.7	282	3.8	35.9
Foreign Languages	199	1.5	118	0.8	(40.7)	177.5	2.3	127	1.7	(28.5)
Health Professions	484	3.7	1,239	7.9	156.0	123	1.6	296	4.0	140.7
Home Economics	212	1.6	424	2.7	100.0	65	0.9	59	0.8	(9.2)
Law	6	0.1	2	0.0	(66.7)	5	0.1	2	0.0	(60.0)
Letters[1]	1,009	7.7	853	5.4	(15.5)	730	9.6	676	9.0	(7.4)
Library Science	27	0.2	31	0.2	14.8	0	0	0	0	-
Mathematics	374.5	2.8	278	1.8	(25.8)	320.5	4.2	201	2.7	(37.3)
Physical Sciences[2]	326	2.5	481	3.1	47.6	204	2.7	232	0.3	13.7
Psychology	558	4.2	821	5.2	47.1	491	6.5	452	6.0	(7.9)
Public Affairs and Services	173	1.3	728	4.6	320.8	3	0.0	197	2.6	646.7
Social Sciences[3]	2,492	18.9	1,950	12.4	(21.8)	1,970	25.9	1,464	19.5	(25.7)
Theology	0	0	0	0	-	115	1.5	173	2.3	50.4
Interdisciplinary Studies	9	0.1	95		955.6	95	1.3	139	1.9	46.3
Total Degrees Awarded	13,167	100	15,779	100	19.8	7,597	100	7,501	100	(1.3)

[1]Includes degrees in English, literature, speech, classics, linguistics, philosophy, religion, etc.

[2]Includes degrees in physics, chemistry, astronomy, geology, earth sciences, etc.

[3]Includes degrees in economics, anthropology, history, political science, sociology, etc.

1200 of North Carolina's most prominent citizens, many with broad business experience. Accountability cannot be translated as an abdication of responsibility. The governing boards of each independent college, no less than the governing board of The University of North Carolina for public universities must retain the ability to make the basic decisions concerning institutional educational policy.

A private institution cannot afford to initiate a program for which there is no market, and oftentimes must make the difficult choice to eliminate one program before beginning a new one. In most cases, new undergraduate programs have been initiated only after the reallocation of resources from obsolete or underenrolled programs within the institution.

This type of careful but quiet analysis typifies the accountability practiced in the independent sector. It should not be confused with bureaucratic controls which could stifle the innovative and independent spirit so long a hallmark of the dual system and the quality of higher education in North Carolina.

FACULTY AND STUDENT QUALITY

The independent colleges and universities are especially proud of their competent and dedicated faculty. Not only are these men and women well-prepared (as exemplified by the percentage with a doctorate -- see Table VI), but they are committed to the development of the complete individual, another hallmark of the independent sector. The faculty in the independent sector emphasize the development of each student's full growth potential, preparing that student for a lifetime of decision-making, growth and expansion. This development consists of social and emotional experience as well as academic preparation. Students are given the time, the attention and the analytical tools necessary to be able to sift and sort through moral concerns and to develop the ability to make sound judgments by viewing alternatives in human terms.

TABLE VI

Percentage of Faculty Members With an Earned Doctorate, 1977-78

The University of North Carolina	*59.3*
State Community Colleges	*5.8*
The Indep. Senior Colleges & Univ.	*58.4*
Independent Junior	*19.0*

Students report that one aspect of an independent college education they particularly value is the closeknit and highly personal student-faculty interaction. Since undergraduate education is recognized as the primary institutional goal, faculty members may spend more time in the classroom, resulting in all smaller courses especially at the freshman and sophomore level. In addition, as Table VII below indicates, even with this emphasis on teaching the independent sector has been efficient in the allocation of faculty workload, with the student-faculty ratio in the sector comparing favorably with that of their state counterparts.

TABLE VII

*Student - Faculty Ratios**

	1974-75	*1975-76*	*1976-77*
North Carolina Independent 4 year	*14.7*	*15*	*15.9*
North Carolina State 4 year	*15.6*	*N/A*	*15.7*
North Carolina Independent 2 year	*15.2*	*16.2*	*17.0*
North Carolina State 2 year	*22.0*	*23.0*	*23.0*
National Independent 4 year	*14.9*	*15.2*	*15.2*
National State 4 year	*21.1*	*22.0*	*21.4*
National Independent 2 year	*14.4*	*16.8*	*16.8*
National State 2 year	*21.3*	*22.4*	*19.7*

**Figures for North Carolina are median institution for appropriate category. National data is from TIAA-CREF, Digest of Statistics of Higher Education in the United States, 1977.*

Another measure of quality in the independent sector is the degree to which academically qualified students are enrolled at these institutions. Over the past three years the quality of the independent colleges, as measured by the SAT scores of their entering freshman, has remained competitive. Comparing the average SAT scores in the state university system with the Independents in the Fall of 1976, nine of the top fourteen four-year institutions, including the top three, were private colleges and universities. Reflecting the decrease in SAT scores nationally, the average score at the independent senior institutions dropped ten points from 1974-1976 compared with a nineteen point decline in the average score at the median state university over the same period.

III. PRINCIPLES FOR PLANNING

The trend in the 1960's and 70's throughout the United States has been to establish statewide planning agencies to manage the growth and prepare for the steady-state for all of postsecondary education within a state's boundaries. In North Carolina, the legislative mandate given to the Board of Governors in 1971 anticipated the necessity for a coordinated system, and recognized the independent sector as an integral part of that system. The statutory language clearly requires meaningful participation by the independent sector in the planning process:

> GS 116-11 (1) The Board of Governors shall plan and develop a coordinated system of higher education in North Carolina. To this end.... it shall maintain close liaison with the State Board of Education, the Department of Community Colleges and the private colleges and universities of the State. The Board, in consultation with representatives of the State Board of Education and of the private colleges and universities, shall prepare and from time to time revise a long-range plan for a coordinated system of higher education, supplying copies thereof to the Governor, the members of the General Assembly, the Advisory Budget Commission and the institutions..
>
> GS 116-11 (11) The Board shall assess the contributions and needs of the private colleges and universities of the State and shall give advice and recommendations to the General Assembly to the end that the resources of these institutions may be utilized in the best interest of the State ....

To fulfill their responsibility as partners in the planning process, the independent colleges in 1977 formed the Council of Trustees for Independent Higher Education, an organization consisting of one representative trustee from each of the thirty-eight independent colleges and universities in North Carolina. (See Appendix A for complete roster of members). This Council has adopted the following goals and purposes:

- To serve as a forum for trustees of independent higher education in North Carolina
- To protect institutional autonomy and independence from undue government regulation and control

- To establish and articulate for the independent sector's many constituencies the public purposes served by the independent colleges and universities
- To serve as a clearinghouse for information concerning academic programs
- To develop and maintain through continuous updating basic long-range planning data
- To work toward voluntary cooperation in academic planning for the independent sector as an appropriate and significant part of overall planning for higher education in North Carolina
- To propose, in the form of recommendations for policymakers, methods for utilizing the independent colleges and universities in the best interests of the State
- To foster efforts of independent colleges and universities toward the preservation and enhancement of academic excellence within the stated purpose of each institution
- To foster efforts of member colleges and universities toward a more effective use of resources through improved management and planning systems

From the onset the Council, along with the college presidents, has been concerned with the nature of the planning process itself. A statewide plan sets goals in light of statewide educational needs, lists objectives through which these goals can be met, describes the totality of resources available to meet these objectives, impartially weighs the various strategies for using these resources most effectively and efficiently, and then makes recommendations within the context of maximum utilization of all institutions which have historically served the public interest.

The Long-Range Plan for The University System, adopted by the Board of Governors in December, 1977, sought to establish "better planning within The University." Once the internal planning process is more well-defined, the Board will be in a better position (noted the Plan) to address its broader statutory responsibility, and to do so with the kind of involvement of the community college and independent sectors the statutory language requires.

In order to insure full participation of the independent sector in the planning process, the college and university presidents and the Council of Trustees advocated the concept of the independent sector undertaking its own planning initiatives. On June 13, 1977, the Council adopted the following Position Statement on "The Role of the Independent Colleges and Universities in Statewide Planning."

> The Council of Trustees for Independent Higher Education, on behalf of the 38 North Carolina independent colleges and universities and the 1200 trustees who govern them, intends to stand with the Board of Governors of The University of North Carolina and the State Board of Education as a partner in the planning process for higher education in North Carolina. The Council accepts the initial responsibility for developing long-range planning assumptions, analyzing data, and formulating policy alternatives, just as the Board of Governors and the State Board of Education accept this same responsibility for their constitutent institutions.
>
> The Board of Governors is mandated by statute to prepare a Long-Range Plan for a coordinated system of higher education "in consultation with representatives . . . . of the private colleges and universities". The Council of Trustees, representing the independent sector, stands ready to participate in the preparation and revision of the statewide Plan. This Plan should incorporate the essential elements and recommendations of the independent college plan.
>
> The Council of Trustees charges the Chairman and President of the North Carolina Association of Independent Colleges and Universities, the private colleges' representatives on the Liaison Committee, and those members on the UNC Advisory Council of Private College Presidents to insure that the statutory requirement for consultation is meaningfully undertaken, that the statewide Long-Range Plan reflects the conclusions of the Council, and that where appropriate, the Council is given the opportunity to comment in writing in the text of the Plan where differences of opinion occur and where reconciliation serves the best interest of the State and her people.

The Council feels that with a definitive set of assumptions and policy recommendations representing independent college concerns, the sector will be able to work cooperatively with the Board of Governors of the state university and the Department of Community Colleges, both of which exhibit a natural preference for their own constituent institutions. A more formal response from the private sector will, it is hoped, shift and elevate the level of discussion, and allow the full exploration of various policy options.

Before the planning process begins, it is necessary to define policy assumptions which oftentimes are unstated, but nevertheless set the parameters within which a

document is designed. Accordingly, we believe that the following assumptions are appropriate with respect to state policy, statewide planning, and independent higher education:

- Public policy, as determined by the legislative and executive branches of State government, will in large measure determine the extent to which the independent sector will continue to function as a viable partner in the dual system of higher education
- The State of North Carolina is best served by formulating a long-range plan for a coordinated system of higher education conceived and developed with the full participation of all three sectors of higher education in the State
- Federal policy impacts significantly on state policy and the federal programs will continue to give a priority to student assistance, and specifically to need-based student assistance programs
- Inflation will continue to be a factor in higher education income and expenditure patterns, with the rate of inflation estimated to be 6 or 7 percent each year in the foreseeable future
- Institutions of higher education exist to provide educational opportunities for their students and services for their constituents, and state policy should be designed to provide these services rather than to promote the institutions which offer them
- No other major social or ecomomic factors will alter the current demographic trends and patterns
- The remainder of this decade and the beginning of the next will see a significant change in the planning environment from an era of growth and expansion, through a period of steady state, and into a time of scarcity and retrenchment where the careful and efficient allocation of available resources becomes critical.

Given these assumptions, and the realization that this plan is limited primaril to a discussion of undergraduate higher education in North Carolina (and more specificall to the undergraduate education of resident North Carolinians), the Council of Trustees for Independent Higher Education endorses the following statements of principle:

- Institutions engaged in undergraduate higher education should offer quality educational services which best meet, and are best suited to, the needs, goals, aspirations, and personalities of individual students
- To accomplish this goal the state and independent institutions form an educational partnership, providing a diversity of institutional environments and program offerings
- The State has responsibility for insuring that a range of educational services are available, and that they are provided as efficiently as possible with maximum utilization of all existing facilities and resources

- The independent colleges, like their state counterparts, are a public resource to be nurtured and supported by a broad range of constituencies
- To the extent that a North Carolina student, with financial assistance and incentives, is able to choose an independent college or university best suited to his or her needs, the taxpayers of North Carolina realize a savings
- To the extent that there are facilities and resources in the independent colleges and universities going underutilized, and in light of the projected enrollment decline in the 1980's, it is the best interest of the State to see that prompt action is taken to insure optimal utilization of these resources.

Obviously, the process of planning must be tied to the budgetary process, and this Council decries the continual implications that the support provided to students attending accredited independent colleges and universities in North Carolina is somehow inappropriate or unconstitutional.

The constitutional validity of the four programs* currently assisting North Carolinians enrolled in the independent sector was directly challenged in a suit filed in the federal district court in Charlotte in 1976. All four programs were upheld by the court and, on appeal, were sustained by the United States Supreme Court. A similar judgment was reached by the Supreme Court in upholding the student aid program in Tennessee.

With the constitutional question settled, policymakers must now address the question of how North Carolina can best serve the educational needs of its citizens, how much this will cost, and how the State can promote the broad participation of its people within the context of a vital and dynamic dual system of higher education.

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*The four programs are: the North Carolina Contractual Scholarship Fund (which provides an average grant of $200 for each North Carolinian enrolled in an independent college, based on need); the North Carolina Legislative Tuition (or offset) Grant program (which provides $300 for each full-time North Carolinian enrolled in an independent college); the North Carolina State Student Incentive Grant program (which provides assistance to needy North Carolinians enrolled in public and independent colleges) and the state-guaranteed loan program (which provides loans to North Carolinians enrolled in both sectors).

IV. FINANCIAL TRENDS AND INDICATORS

The ways in which higher education is financed are complex. In order to understand the issues it becomes necessary to isolate several key variables. Certainly a predominant factor in the budgetary process is the inflationary spiral pushing costs upward, coupled with rapidly accelerating costs for such items as energy and mandated social programs. These are factors which affect the cost of education in both the state and independent sectors.

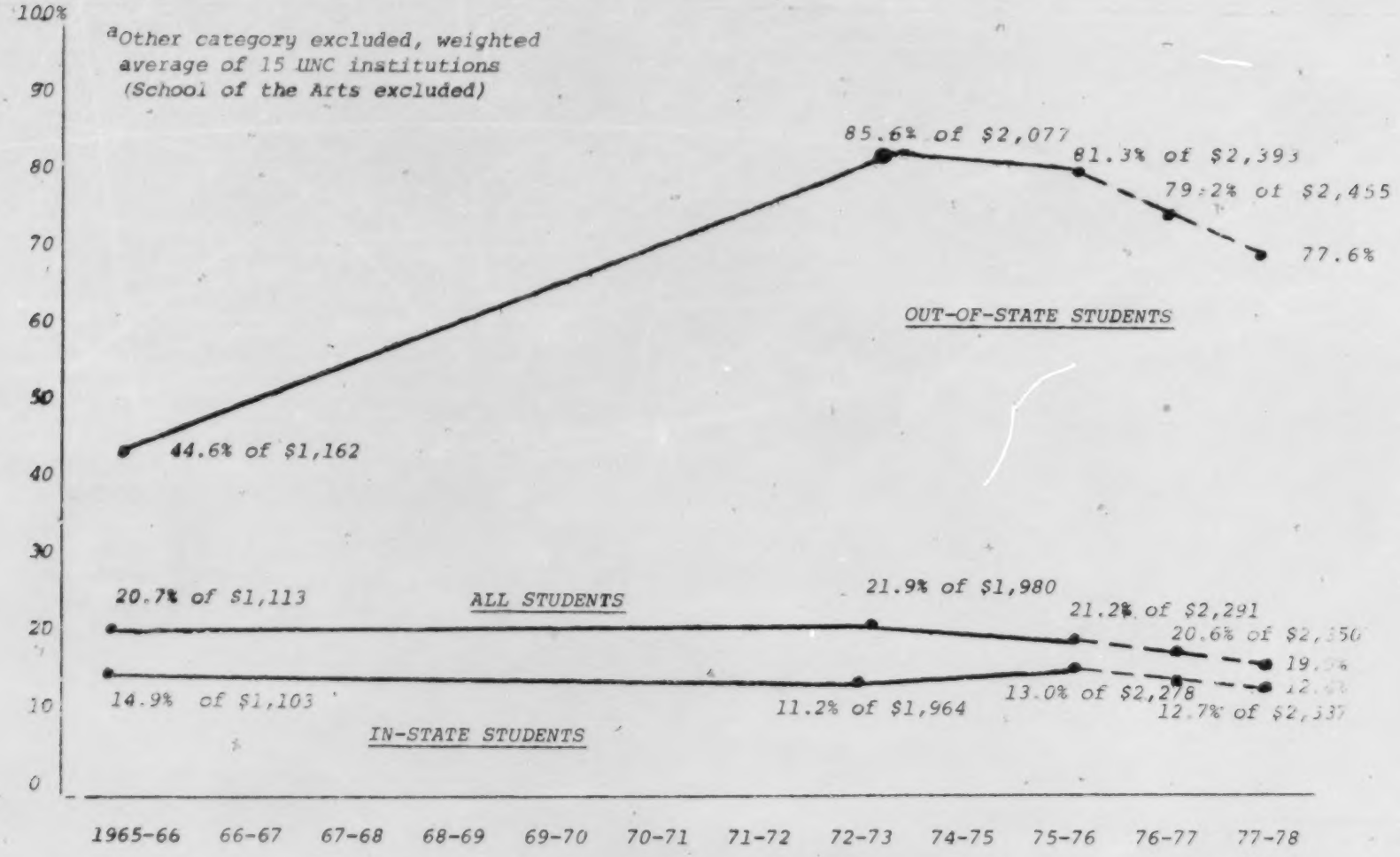
In point of fact the actual cost of education is approximately the same in the two sectors. The cost of educating a student at a baccalaureate college or university in the state sector was $3534 in 1975-76. The comparable figure per student at an independent baccalaureate institution was $3459. Two years earlier the average cost was $2683 in the state sector; $2635 in the independent sector. These data, taken from the Higher Education General Information Survey (HEGIS) on financial statistics illustrate two extremely important points: the cost of providing a college education has risen steeply in the past few years, and the total cost of education is and has been approximately the same in the independent and state sectors.

The real difference in the two sectors is in who pays, i.e., the portion paid by the student and the portion paid by the taxpayer. Table VIII illustrates the percentage of cost per capita at the state university system which is actually paid by the student. By contrast, the student in the independent sector pays the majority of the educational costs. As educational costs rise, the burden on the student in the independent sector is naturally heavier, since the student is paying for the majority of the increase. In the state sector, however, it is the taxpayer who has paid for the increased instructional costs.

TABLE VIII

TUITION AS A PERCENTAGE OF COST PER CAPITA[a] - REGULAR SESSION,

University of North Carolina, 1965-66 - 1977-78



Source: NC Division of State Budget

Tables IX, X, XI, and XII illustrate the tuition charges and tuition differentials in North Carolina and the nation. The so-called "tuition gap" between what the student in the independent sector versus what a student in the state sector pays for his education is clearly one of the forces threatening the vitality of independent higher education. While tuition in the independent sector has been increasing at approximately the same rate as inflation, the legislative tuition assistance has been sufficient to keep the tuition gap from widening dramatically. Tables XI and XII illustrate that the North Carolina independent colleges and universities have kept their tuition and fees charges below the national average and generally equal to the rate of inflation as measured by the consumer price index.

At the same time the program of State support to students attending independent higher education was growing, the legislative support for the state institutions was matching the inflationary spiral. The data below illustrate the cost increases in the UNC system over the past biennium:

	FTE Students (Budgeted)	*General Fund Appropriations for Operating Expenses**	*Appropriations per Student*
1975-76	*86,575*	*$213,025,266*	*$2,461*
1976-77	*91,562*	*244,653,897*	*2,672*
1977-78	*95,481*	*273,347,527*	*2,863*

**Includes appropriations for the sixteen constituent institutions of The University and the operating expenses and institutional programs of the General Administration. North Carolina Memorial Hospital, Related Educational Programs and the NCSU Agricultural Experiment Station and Extension Service are excluded.*

To isolate the cost of undergraduate education, Table XIII reveals the increase in state appropriations to the baccalaureate institutions of North Carolina since 1968-69.

TABLE IX

THE TUITION GAP
N. C. INDEPENDENT SENIOR COLLEGES AND UNIVERSITIES
AND STATE UNIVERSITIES

FALL	SENIOR INSTITUTION*	STATE CONTRACT & OFFSET GRANTS	STATE UNIVERSITY*	TUTITION GAP
1968	$1,094	$ 0	$388	$706
1971	1,467	0	436	1,031
1972	1,555	46	466	1,043
1973	1,626	200	454	972
1974	1,726	200	474	1,052
1975	1,874	400	493	981
1976	2,003	400	501	1,102
1977	2,151	500	540	1,111

*Tuition and required fees

Source: Statistical Abstract
NCHED - A-3 Surveys

TABLE X

THE TUITION GAP
N. C. INDEPENDENT JUNIOR COLLEGES
AND STATE COMMUNITY COLLEGES

FALL	INDEP. JR. COLL.*	STATE CONTRACT & OFFSET GRANTS	STATE COMM. COLL.*	TUITION GAP
1968	$ 757	0	$140	$617
,	,	,	,	,
,	,	,	,	,
,	,	,	,	,
,	,	,	,	,
,	,	,	,	,
1971	1005	0	147	858
1972	1080	46	147	887
1973	1154	200	148	806
1974	1223	200	147	876
1975	1346	400	120	826
1976	1446	400	119	927
1977	1571	500	137	934

* Tuition and required fees

Source: Statistical Abstract
NCHED A-3 Surveys

TABLE XI

CONSUMER PRICE INDEX AND TUITION INCREASES, 1971-1976

	% Increase Over Previous Year						Two-Year	Five-Year
	1971	1972	1973	1974	1975	1976	Increase	Increase
• TUITION AND FEES								
State Senior	-	6.9	(-2.6)	4.4	4.0	1.6	5.7	14.9
Indep. Senior	-	6.0	4.6	6.2	8.6	6.9	16.1	36.5
State Comm.	-	0	.7	(-.7)	(-18.4)	(-0.8)	(-19.5)	(-19.5)
Indep. Junior	-	7.5	6.9	6.0	10.1	7.4	18.2	43.9
• CONSUMER PRICE INDEX	-	3.3	6.2	11.0	9.1	5.8	15.4	40.6
• HIGHER EDUCATION PRICE INDEX*	-	5.5	5.2	7.0	8.6	6.6	15.8	37.5

*The Higher Education Price Index was developed by Dr. D. Kent Halstead, research economist for the National Institute of Education, as a measure of inflationary cost increases in higher education. It is, therefore, a better gauge of the trends of cost increases in colleges and universities than the Consumer Price Index. Other data derived from the Statistical Abstract and NCHED A-3 Surveys.

TABLE XII

TUITION AND FEES CHARGES, 1971-1976

COMPARATIVE DATA

	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	Two-Year Increase	Five-Year Increase
• STATE SENIOR								
- NC	$ 436	$ 466	$ 454	$ 474	$ 493	$ 501	$ 27	$ 65
- National	439	465	498	541	578	621	43	182
• INDEPENDENT SENIOR								
-NC	1,467	1,555	1,626	1,726	1,874	2,003	277	536
-National	1,652	1,725	1,942	2,080	2,240	2,329	249	677
• STATE TWO-YEAR								
-NC	147	147	148	147	120	119	-28	-28
-National	*	*	251	287	301	387	100	*
• INDEPENDENT TWO-YEAR								
-NC	1,005	1,080	1,154	1,223	1,346	1,446	223	441
-National	1,192	1,210	1,389	1,578	1,652	1,740	162	548

Source: Based on data from the College Scholarship Service (see "The Increase in College Costs Since 1971", The Chroncile of Higher Education, April 5, 1976), the Statistical Abstract and NCHED A-3 Surveys.

*Insufficient data

TABLE XIII

ENROLLMENT AND APPROPRIATIONS, BACCALAUREATE INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA[a]

	1968-1969			1971-1972			1973-1974		
	Budgeted FTE	Adjusted Appro.	Appro./ FTE	Budgeted FTE	Adjusted Appro.	Appro./ FTE	Budgeted FTE	Adjusted Appro.	Appro./ FTE
ASHEVILLE	775	1,152,614	1,487	925	1,716,030	1,855	1,025	2,179,607	2,126
WILMINGTON	1,140	1,208,294	1,060	1,650	2,566,261	1,555	2,180	3,907,426	1,792
PEMBROKE	1,500	1,430,002	953	1,800	2,190,725	1,217	1,755	2,917,937	1,663
WINSTON-SALEM	1,250	1,590,570	1,272	1,400	2,357,047	1,684	1,550	2,980,341	1,923
ELIZABETH CITY	1,000	1,250,114	1,250	1,000	1,977,596	1,978	1,150	2,443,419	2,125
FAYETTEVILLE	1,137	1,250,483	1,100	1,400	2,093,391	1,495	1,700	3,075,244	1,809
TOTALS[b]	6,802	7,882,077	1,158	8,175	12,901,050	1,579	9,360	17,503,974	1,871
	1975-1976			1976-1977			1977-1978 (est.)[c]		
ASHEVILLE	1,055	2,624,269	2,487	1,162	3,033,746	2,611	1,275	3,440,573	2,698
WILMINGTON	2,555	5,199,409	2,025	2,842	6,098,371	2,146	3,110	7,071,512	2,274
PEMBROKE	1,700	3,387,702	1,993	1,810	3,886,720	2,147	2,020	4,629,973	2,292
WINSTON-SALEM	1,790	3,941,403	2,202	1,880	4,588,413	2,440	2,040	5,216,037	2,557
ELIZABETH CITY	1,190	2,924,944	2,458	1,342	3,441,198	2,564	1,610	4,467,761	2,775
FAYETTEVILLE	1,825	3,773,179	2,067	1,945	4,212,716	2,166	2,000	4,723,918	2,362
TOTALS[b]	10,115	21,850,906	2,160	10,981	25,261,164	2,300	12,055	29,548,774	2,451

[a] Sources for Budgeted FTE figures are the State Budget Office, Fiscal Research Division of North Carolina General Assembly, State Records Library, Report and Recommendations, August 1977. Source for Adjusted Appropriations figures is the State Budget Office.

[b] Excludes funds appropriated to UNC General Administration for general assistance to all constituent institutions

[c] Estimate likely to be conservative because of exclusion of data on transfers and reserves not available until end of fiscal year

The State has increased the amount per student approximately $150 per year per student over this period, raising the appropriation per student for an undergraduate education in the state sector to approximately $2,450 in 1977-78. Table XIV illustrates the relative strength of support for the state sector, with expenditures in the upper half and tuition in the lower half when ranked nationally. According to another national study North Carolina ranks fourteenth among the states in appropriations per student in the state sector.[4]

Since the average appropriation to students in the independent sector is $500, the Independents have a tax-effectiveness ratio of almost five-to-one over their state counterparts in terms of the utilization of state tax dollars for services provided.

It is important to examine the impact of the college costs on a student's choice of institution. While there are many reasons why a student chooses a specific institution, the impact of cost on attendance patterns is well documented. The study of the National Commission for Financing Postsecondary Education noted that enrollment may vary from 1 percent to 3 percent for every $100 charged in tuition rates depending on factors such as family income and student costs at competing institutions.[5] Similarly, when the University of Wisconsin Center System reduced tuition at one of the campuses from $476 to $150 to match the fee charged by a local vocational school, the result was a 47 percent increase in enrollment compared to an average increase of 7 percent at other university centers. This net increase amounted to more than 12 percent per $100 charged in tuition.[6]

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[4] D. Kent Halstead, based on indices from, "How States Compare in Financial Support of Higher Education", The Chronicle of Higher Education, 8 March 1976

[5] National Commission on Financing Postsecondary Education, Financing Postsecondary Education in the United States (Washington: U. S. Government Printing Office), 1973.

[6] "Enrollment Jumps When Fees are Slashed, Wisconsin Study Shows", Phi Delta Kappan, September 1974.

TABLE XIV

Relationship Between Relative Expenditures per Full-Time-Equivalent Student from State and Local Sources and Relative Tuition and Required Fees, by State, 1973-74 (States Ranked by FTE Expenditures plus Tuition)

[1]For purposes of this computation, tuition in SUNY and CUNY was averaged on the basis of relative FTE enrollment in each system.

Source: *The States and Higher Education a Supplement to a Commentary by the Carnegie Foundation for the Advancement of Teaching, p. 27.*

A recent New Jersey study revealed that when students were asked which types of institutions they would choose "if paying for an education were not a problem", 58.2 percent of the students enrolled in a state university would choose a private college or university, 50.8 percent of the students at state colleges would choose an independent institution, and 35.5 percent of the community college students would choose the independent sector. Only 15.2 percent of the students enrolled in private colleges and universities would choose another type of college.[7]

Similarly, more than one-half (53.7 percent) of those participating in a study by the College Board who attended a community college said that they would prefer to attend a four-year college if costs were not a factor. Two-thirds of those who would change (67.2 percent) would go to a state four-year institution, and the remainder (32.8 percent) would attend an independent college or university. Over one in five students who planned to attend a state four-year institituion (21.4 percent) would attend an independent college or university if costs were not a concern.[8]

Similar studies have been undertaken in Kansas, Iowa, and Oregon which note the positive impact of student aid programs on independent college attendance.[9]

An unpublished study by a doctoral student at North Carolina State University found that in North Carolina there was an exceptionally high correlation between the tuition differential, or cost between attending an independent or state institution, and the enrollment patterns in the two sectors. The author concluded that "costs to the student play a major role in influencing his choice of institution to attend."[10]

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7 New Jersey Commission on the Financing of Postsecondary Education, The Needs and Resources of Undergraduate Students in Postsecondary Education in the State of New Jersey, 1974-75, (Princeton, New Jersey: by the Commission), 1976.

8 College Entrance Examination Board, Making it Count: a Report on A Project to Provide Better Financial Aid Information to Students, (New York: College Entrance Examination Board), 1976.

9 A. E. D. Howard, State Aid to Private Higher Education, (Charlottesville, Va.: The Miche Co.) 1977.

10 James Hilliard Young, "State Aid to Private Higher Education in North Carolina: A Distributional Impact Analysis", Ed.D Thesis, Department of Adult and Community College Education, North Carolina State University, Raleigh, NC, 1977.

He found that statistically the degree of the tuition differential explained or caused over 93 percent of the variation in enrollment proportion between the sectors. In other words, a shift in the tuition differential (up or down) has a direct and measurable impact on the proportion of North Carolina undergraduates in the independent versus the state sector.[11]

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[11] Ibid, page 100.

V. PROJECTIONS FOR ENROLLMENT AND FINANCIAL SUPPORT

ENROLLMENT POLICIES AND PROJECTIONS

A clear lesson to be learned from the enrollment trends of the past twenty years is that tomorrow will not necessarily be the same as today. Variations in the G.I. Bill, support for students attending independent institutions, the end of the draft, and the plight of the middle income parent are but a few examples of variables which have significantly affected enrollment patterns and projections. How many students will be enrolled in the independent colleges and universities in 1980, 1985 or 1990? The answer to that question to a very large extent lies in the decisions of state policy-makers with respect to aid for North Carolinians attending independent institutions. Perhaps more importantly, the answer will depend on the amount of subsidy provided to the state sector, and the degree to which unnecessary expansion in the state sector will duplicate unutilized capacity in the independent sector.

In order to gauge more carefully the results of given policy options on enrollment, it is essential to review three key variables: 1) the size of the "student pool", i.e., the number of students available to attend institutions of higher education, 2) the going rate, i.e., the number of those students in the "pool" who choose to attend an institution of higher education and, 3) the distribution pattern, i.e., the number of students who will choose to attend different types of postsecondary institutions, e.g., state versus independent.

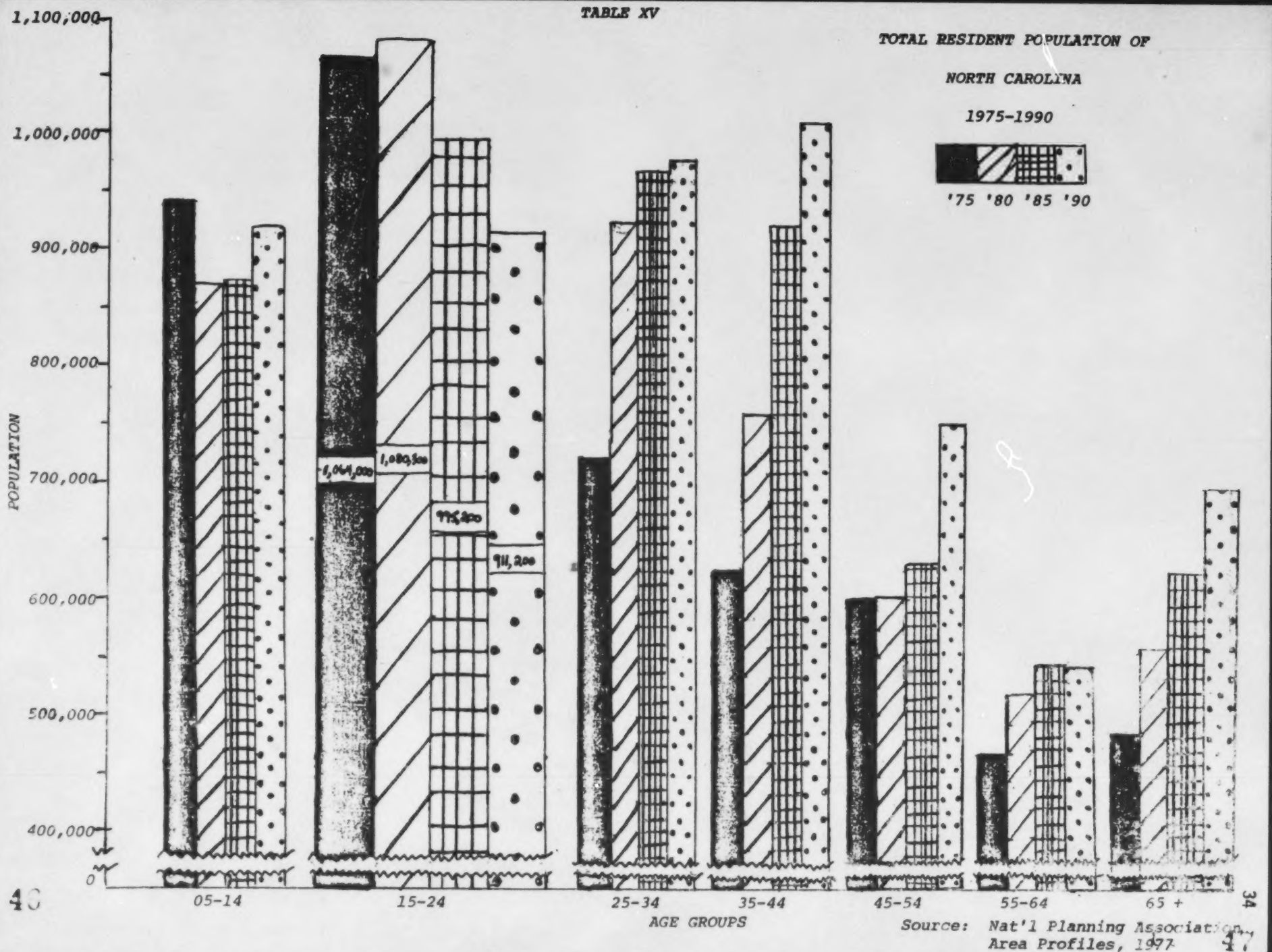
There are many considerations involved in determining the "pool" of potential college students. The inclusion or exclusion of certain groups or parts of groups can significantly alter the potential number of students to be served. We need to examine the number of individuals in the traditional college-age group, the number of students who graduate from high school and the number of adult learners. Table XV illustrates

the effects of the end of the so-called "baby boom" on the traditional college-age population. According to these data assembled by the National Planning Association, the number of North Carolinians in the 15-24 age bracket increases less than 2 percent from 1975-80 but declines precipitously from 1980-1990. Planners have observed that this 16 percent drop in the number of college-age youth will not affect enrollments as dramatically as these data might suggest. North Carolina has one of the lowest completion rates in the nation measured as the percentage of ninth graders who continue on to graduate from high school. It is argued that this percentage can and will be increased. Clearly it is important for the number of North Carolinians enrolled in high school to complete the requirements for graduation. The initiation of competency testing, however, clouds the situation, and brings into question the probability that the number of high school graduates will rise significantly above current levels as a percentage of those in attendance.

The suggestion that the new adult learners will enroll in sufficient numbers to offset the decline in the college-age population also needs some sober reflection. The adult student population is an uncertain variable at best. It consists of mainly part-time students, and fluctuations in the economy as well as the geographic accessibility of specific institutions, can weigh heavily on the attendance pattern of these students.

It has often been suggested that current enrollment levels in North Carolina's collegiate institutions can be maintained by increasing the percentage of the college-age population which goes on to postsecondary institutions. The UNC Long-Range Plan of 1976 indicated that the North Carolina going-rate in collegiate institutions was 18 percent below (or .66 of) the national average. Supporting documents for the 1977 Plan reveal that when the total postsecondary enrollment is considered North Carolina is 14 percent below (or .79 of) the national average. Figures provided by the Southern Regional Education Board suggest that North Carolina's postsecondary attendance is 11 percent below (or .83 of) the United States average. As Table XVI illustrates, North Carolina has made substantial gains since 1970, when it trailed the nation by 17 percent. Much of this growth has been in the non-degree credit enrollmen

TABLE XV



Source: Nat'l Planning Association, Area Profiles, 1977

which is defined by the U. S. Office of Education as "courses extending not more than three years beyond high school and designed to prepare students for immediate employment in an occupation or cluster of occupations at the technical and/or semi-professional level (engineering related or non-engineering related) or at the draftsman-clerical level (artisans, skilled workers, and clerical workers)". These are not to be confused with short courses carrying no credit.

Table XVI

College-Going Rates
North Carolina and the Nation

	1960		1970		1975	
	U.S.	N.C.	U.S.	N.C.	U.S.	N.C.
18-21 year population	*9,214,000*	*288,413*	*14,779,000*	*418,000*	*16,545,000*	*445,300*
Percent increase	-	-	*60%*	*45%*	*12%*	*6%*
Degree-credit enrollment	*3,583,000*	*69,144*	*7,920,000*	*142,563*	*9,731,000*	*167,049*
Percent increase	-	-	*121%*	*106%*	*23%*	*17%*
Ratio to 18-21 population	*39.0*	*24.0*	*53.6*	*33.3*	*58.8*	*37.5*
Non-degree-credit enrollment	*206,000*	*3,000*[a]	*661,000*	*29,362*	*1,453,000*	*84,188*
Percent increase	-	-	*221%*	*878%*	*120%*	*187%*
Total enrollment	*3,789,000*	*72,141*	*8,581,000*	*171,925*	*11,184,000*	*251,237*
Percent increase	-	-	*126%*	*138%*	*30%*	*46%*
Ratio to 18-21 population	*41.1*	*25.0*	*58.1*	*41.1*	*67.6*	*56.4*

[a] *Estimated on basis of USOE reports on resident and extension enrollment*

Source: Southern Regional Education Board

Clearly the higher education community seeks to increase the going rate of North Carolinians to postsecondary institutions to an even greater extent. We believe this can be done, but suggest that a number of factors mitigate against the kind of meteoric increase in the going rate experienced in the 1960's and early 1970's.

The going rate is correlated with family income and level of education. North Carolina regretably continues well below the national average in these areas, ranking forty-fifth of the fifty states and the District of Columbia in median family

income (19 percent below the national average in 1975), forty-first of the fifty states and the District of Columbia in per capita personal income (19 percent below the national average in 1976), and 10 percent below the U. S. average in the median years of school completed.

The final variable in making enrollment projections is the number of students attending different types of institutions. The consensus of national and regional studies is that a good part of enrollment increase of the non-traditional students will likely be in the two year/community college sector given their accessibility and low tuition policies. The shrinking pool of the traditional college-age students will be divided among institutions which can compete in terms of price, academic quality, clarity of mission and distinctiveness of purpose. Those who suggest that enrollment will not stabilize or decline argue a series of factors, in combination, could result in a continual increase throughout the 1980's. Such predictions have been made before, when, for example, those who suggested an end to the teacher shortage or the declining academic demand for Ph.Ds were ignored by policy makers until the surplus became acute.

We, therefore, are unable to concur that public policy for higher education in the 1980's be based on the premise of continued growth when demographic trends point so strongly in the other direction. Tables XVII and XVIII sketch the parameters of decline we may experience if the less optimistic projections of regional and national researchers occur.

It does appear, however, that there will be three or four more years of slow growth prior to the stabilization and decline. To provide for this increase the independent sector has available some 2700 dormitory vacancies and 2600 spaces for commuting students without additional capital construction. Colleges and universities with full enrollment, e.g., Duke, Davidson and Wake Forest, have stated publicly that it is an institutional objective to increase the percentage of North Carolinians attending. Clearly, the Independents are committed to providing education of high quality to resident North Carolinians, and trust that public policy will be developed in such

TABLE XVII

HEADCOUNT
ENROLLMENT OF UNDERGRADUATE
NORTH CAROLINIANS

	1975 ACTUAL	1976 ACTUAL	1977 ACTUAL	1980 PROJ. AT 1977 GOING-RATE[1]	1986 PROJ. AT 1977 GOING-RATE[1]	ENR. DECR. 1977-86
UNC[2]	77,182	77,334	79,173	82,222	77,849	(1,324)
CC[3]	10,504	10,026	10,917	11,283	10,683	(234)
INDEP.	24,250	25,054	25,583	26,527	25,116	(467)
TOTAL	111,936	112,414	115,673	120,032	113,648	(2,025)
SIX-YR. CUM. HS GRAD. IN NC[4]	415,103	418,039	421,596	438,072	414,776	---
% TOTAL OF SIX-YR. CUM. HS. GRAD.	27.0	26.9	27.4	27.4	27.4	---

1 Maintaining the 1977 percentage of enrollment in the three sectors: UNC-.685, CC-.094, Indep.-.221.

2 Excludes military centers

3 Includes college parallel students only

4 High School graduate projections provided by State Department of Public Instruction. These figures represent only graduates of North Carolina public high schools; they do not include graduates of private high schools (2,400 in 1975) or receipients of G.E.D. certificates (13,722 in 1975).

TABLE XVIII

TOTAL HEADCOUNT ENROLLMENT

	1975 ACTUAL	1976 ACTUAL	1977 ACTUAL	1980 PROJ. SREB EST.[1]	1985 PROJ. SREB EST.[1]	1990 PROJ. SREB EST.[1]	ENR. DECR. 1977-1990
UNC[2]	104,786	104,807	107,153	112,461	107,289	98,062	(9,091)
CC[3]	10,938	10,427	11,315	11,847	11,302	10,330	(985)
INDEP.	48,004	49,340	50,025	52,517	50,102	45,793	(4,232)
TOTAL	163,728	164,574	168,493	176,826	168,693	154,186	(14,307)

1
The Southern Regional Education Board in its Fact Book on Higher Education in the South, 1975 and 1976, estimated that total enrollment in North Carolina would increase by 8 percent between 1975 and 1980 and then decline by 4.6 percent from 1980-1985 and by 8.6 percent from 1985-1990. These columns illustrate the consequences of these percentage increases (and decreases) assuming that each of the three sectors maintains its 1977 percentage of the total student enrollment: UNC-.636, CC-.067, and Indep.-.297. (Totals do not add because of rounding.)

2
Excludes military institutions

3
Includes college parallel students only

a way that the facilities of these institutions will be utilized to the maximum extent.

FUNDING OPTIONS

State policy will determine whether or not independent colleges will be able to compete for North Carolinians in terms of price. North Carolina's leaders must decide the percentage of total educational costs which are to be borne by the student in the state sector, and to what extent students in the independent sector will be assisted in meeting rising costs through tuition grant assistance. Initial support for the independent college students provided by the North Carolina General Assembly during the 1971 and 1973 sessions allowed the independent colleges to stabilize their enrollment, even while the percentage of total enrollments continued to decline. The action of the 1975 and 1977 General Assemblies has allowed the independent colleges to maintain their current share of enrollment, i.e., to serve 22-23 percent of the FTE undergraduate North Carolinians enrolled in collegiate institutions of higher education. (See Table XIX). The significant fact is that public policy, expressed as legislative action, resulted in a dramatic turnaround in the state's enrollment patterns. Had the trends of the late 1960's continued, the thirty-eight independent college and university presidents concur that thousands fewer North Carolinians would have been enrolled in these institutions today. Instead, over 25,000 North Carolinians were enrolled this fall in the independent sector.

There are several major public policy options mentioned most frequently which relate to the future of the independent sector: 1) the elimination of one or more private institutions either by closing or a direct takeover by the State; 2) direct noncategorical grants to institutions for general operating expenses similar to those programs in New York, Pennsylvania, Illinois, Oregon, Louisiana and Michigan; 3) contracting by the state for services rendered by the independent colleges and universities; 4) aid to students attending independent colleges and universities as a partial offset to the tuition differential; 5) a fully-funded, centrally-administered, need-based student aid program, coupled with a rise in the percentage of the true

TABLE XIX

PERCENTAGE OF
NORTH CAROLINIANS ENROLLED
BY INSTITUTIONAL TYPES

	1968-69	1970-71	1972-73	1974-75	1975-76	1976-77	1977-78
FULL-TIME EQUILVALENT	NOT AVAILABLE	NOT AVAILABLE					
UNC			67.8	69.0	69.6	69.4	69.0
CC[1]			7.9	7.5	8.5	8.0	8.5
NCAICU			24.4	23.5	21.9	22.6	22.5
HEADCOUNT							
UNC	69.1	62.8	67.2	68.3	69.0	68.8	68.4
CC[1]	8.6	11.1	8.9	8.5	9.4	8.9	9.5
NCAICU	30.3	26.1	24.0	23.2	21.7	22.3	22.1

[1] Includes college parallel students only

educational costs for students in the state sector who are able to pay; 6) a voucher system, with each student receiving an identical grant which may be applied to the tuition costs at any institution, (State subsidies for institutional support would be eliminated in total or large part under this plan); and 7) no state support (institutional or student assistance) for higher education, public or private, with the student paying the full cost of education in both sectors.

Clearly, the first and last options are unacceptable. The closing or take-over of an independent college by the State would result in the loss of a precious resource at a cost to the State which simply could not be borne by general tax revenues. Each one of the 24,000 FTE North Carolinians enrolled in the independent sector would cost the state the difference between the $500 each of these students currently receives (on the average) and the average of $2450 per student appropriated for undergraduate education in the state sector: a cost to the State of over $45 million.

By the same token, it would be inappropriate to have the student pay for the full cost of his education. Higher education benefits the society as well as the individual, and asking students to pay for the full cost would result in a significant decrease in the number of students able to attend a college or university. Students in both sectors rely on the current assistance programs to finance their education. In 1975-76, even with the lower price (or percentage of cost) charged at the state university system, over $88 million in student aid was awarded, an average of over $950 per FTE student in the state university system.

The sixth option, which receives a good deal of national attention, would require a substantial change in the financing of higher education, and could not be endorsed by the independent sector in North Carolina without considerable additional study.

With respect to the second option, the independent colleges and universities in North Carolina do not now seek direct noncategorical aid either from the state or federal government. While this type of assistance may raise constitutional problems, its real fault lies in the more clear and present danger it represents to the integrity of the institutions. Current aid programs provide assistance only to students, and the institutions are fully accountable for their part in administering the assistance programs. Direct noncategorical grants, however, suggest a greater degree of involvement with the State, and conceivably additional pressure to compromise institutional automony.

A combination of the remaining options may well serve to set the policy guidelines for the next decade. Accordingly, we now turn to a set of recommendations which are designed, not to insure the survival of institutions, but more properly to utilize a valuable resource to the fullest extent while being cost efficient for the taxpayer and maximizing choice for the young people of North Carolina.

SUMMARY AND RECOMMENDATIONS

The North Carolina independent colleges and universities believe that there should be a State policy of planned diversity in higher education with autonomous institutions in a coordinated system. The state university represented by The University of North Carolina Board of Governors, the community colleges and technical institutes represented by the Department of Community Colleges and the State Board of Education, and the independent colleges and universities represented by their own boards of trustees, the Council of Trustees and the North Carolina Association of Independent Colleges and Universities, are partners in service to the citizens of North Carolina.

As institutions of higher education evolve, a balance must be found between the two extremes of a command-and-control and totally free market system. The command-and-control approach is characterized by a centralized regulatory apparatus, with educational policy established on the basis of an agency's conception of what is best for the State and its people. At the other extreme is the totally free market system where, for example, the consumers set educational programs and policies through the use of a voucher system. Neither of these extremes is advisable for North Carolina.

The Independents generally favor an incentive system whereby more and better information and an equitable percentage of student support will allow the consumer the option of several choices. Accreditation standards, statutory restrictions, and the supervision and control exercised by institutional boards of trustees provide the necessary mechanisms for quality control, with the ultimate accountability resting in the General Assembly's authority to withhold support from students attending any institution, or set of institutions, which do not maintain sound educational policy and practice.

We believe that the dual system of higher education (State governed and controlled and independently governed and controlled) is a vital component in the future growth and development of North Carolina. We declare further that the independent sector should be nurtured for its cost savings to the State, its diversity of institutions, its autonomy of action and its commitment to provide access and choice for the

citizens of North Carolina. Specifically, the Council of Trustees and the independent college and university presidents recommend that action be taken by the appropriate authorities in line with the following public policy positions:

A. Enrollments

1. Public policy should be designed to stabilize the percentage of enrollment in the independent sector, utilizing space already available at these colleges as the most efficient and effective use of existing resources. To achieve this end we recommend that in developing enrollment projections for future planning and policy documents, the assumption be made that the percentage of undergraduate North Carolinians enrolled in the independent sector be set no lower than the current level of choice (22-23 percent of the total) with funding recommendations sufficient to assure that this level be maintained.

If the State decides to take greater advantage of the resources of the independent sector, i.e., by utilizing more of the over five thousand spaces currently available at these colleges, additional student aid beyond the amount necessary to stabilize the enrollment percentage should be considered.

B. Funding

The independent sector believes that the primary vehicle for achieving the goal of meeting the needs of individual students is through programs of student aid. The current North Carolina programs -- the "Contract" scholarships, North Carolina Legislative Tuition (or Offset) Grants and the North Carolina Student Incentive Grants -- have given North Carolinians greater access to independent higher education in North Carolina. These programs should be sustained and increased in order to maintain the degree of choice at no lower than the current percentage level as defined above.

2. We recommend that the Contract Program be continued at the current level of funding per student -- $200 per FTE North Carolinian enrolled on October 1 of each year to be distributed as scholarship assistance to needy North Carolinians. The

independent colleges and universities feel that the Contract program has allowed them to deal with the individual financial problems and concerns of needy North Carolinians seeking an independent college education, and endorse the continuation of this student aid program as one component in the financial aid packaging process.

We believe that the combination of growth in federal programs and maintenance of the current state effort is sufficient to assist lower income students. To this end, we support the full matching by the State of federal appropriations for student aid through the State Student Incentive Grant program.

3. Funding of the NCLTG or Offset Grant Program should be increased from the current level of $300 per North Carolinian in 1977-78 to $400 in 1978-79, with future appropriations based on a ratio of support for the baccalaureate institutions of the State University. Student assistance grants provided under the North Carolina Legislative Tuition Grant Program, initiated by the 1975 General Assembly, have been termed "Offset Grants" to signify their purpose of offsetting the tuition differential between the State and independent sectors. As this report has illustrated, the increase in educational costs fueled by inflation has been offset in the state sector for all students irrespective of need by an increase in subsidies by the taxpayer. In the independent sector these increases have been borne by the students enrolled, with the assistance of the General Assembly through the Offset Grant Program. An increase to $400 in 1978-79 constitutes a minimum grant if the current level of choice is to be maintained. This is especially important if the independent sector is to remain an alternative within the financial reach of the hard-pressed middle income family.

4. Beyond this current biennium, we believe it is time for a rational, on-going policy of support for independent college students based on a standard or operating principle. We recommend that student grant assistance in an amount averaging up to one-half of the subsidy appropriated per undergraduate student at The University of North Carolina be given annually to full-time undergraduate North Carolina residents attending an accredited independent college or university as defined by G.S. 116-22(1) and (2). In order to bring the average grant up to this level, the increased funding

could be phased in over a number of years. For the next biennium an increase of at least $100 in 1979-80 and an additional increase of $100 in 1980-81 should be provided through the offset (NCLTG) grant program. Larger increases could be necessary depending on inflation, the available resources of the State, and the per student subsidy and action on tuition levels in the public sector.

This recommendation supporting an operating principle is in keeping with the idea proposed by Governor Hunt in his February, 1977, presentation to the Council of Trustees. At that session the Governor stated:

> But I have a more fundamental concern than the amount of the student grant. Every budget year we face the same question. We will face it in the years to come. I believe it's time that we seek to settle it for the long run in a reasonable way. I believe it is time we establish a state policy on a standard, an operating principle that is clearly understood by everyone involved.

Subsequently, the North Carolina Senate passed a resolution to examine this concept, and a Legislative Study Commission is reviewing the matter with recommendations to be made to the 1979 General Assembly. The independent sector has recommended this approach, i.e., a funding principle, as part of its legislative agenda in 1975 and 1977.

5. <u>If State policymakers should decide to pass along inflationary cost increases to students in both the state and independent sectors, the General Assembly should examine the propriety of fully funding a centrally-administered, need-based student assistance program. This program would offset the price increases for students in both public and private sectors for those unable to pay this greater percentage of the true cost of education.</u>

If additional grant assistance for students attending independent colleges is not provided as a partial offset for cost increases, an alternative policy (if the tuition gap is not to widen dramatically resulting in substantial enrollment decline and underutilization of the independent sector) is raising tuition in the public institutions to approximate a higher percentage of true educational costs. We believe

this is the wrong approach. North Carolina's low tuition policy has encouraged many young people to enroll in a college or university. However, this wise public policy on tuition has created problems for the independent sector. As the State has absorbed the inflationary cost increases over the past decade, the difference between the price the student pays to attend an independent versus a state college has widened dramatically, placing the Independents in a precarious competitive position. To maintain low tuition and avoid the atrophication of choice, we believe tuition should be kept low for all students with the State absorbing the majority of inflationary increases in both sectors, through direct institutional aid (direct subsidy per student) in the public sector and tuition offset grants in the independent sector.

Nonetheless, debate continues concerning the extent to which students should pay for the true cost of their education and is far from being settled. The Carnegie Commission has suggested that students should pay up to one-third the cost of their education[12] and the Committee for Economic Development has indicated that one-half of the cost should be paid by students.[13] An exhaustive review of the research in a recent publication by the Brookings Institution suggests that by raising tuition in the public sector for high-income students and expanding subsidies for low-income students, both independent college and total college enrollments would increase.[14]

Should tuition charges increase precipitously, e.g., to match the actual yearly increase in educational costs ($150-200), the burden on lower and lower-middle income families would be especially severe. To the extent that tuition increases, a fully-funded centrally-administered need-based student aid program could provide assistance to offset the increases for those unable to pay, while those students able to pay a greater percentage of true educational costs would do so in both the state and

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[12]Carnegie Commission on Higher Education, Higher Education: Who Pays? Who Benefits? Who Should Pay? (New York: McGraw-Hill) 1973, p. 109

[13]Committee for Economic Development, The Management and Financing of Colleges (New York: By the Committee) 1973, p. 69

[14]Breneman, David W. and Finn, Chester E. Jr. (ed.), Public Policy and Private Higher Education (Washington: The Brookings Institution) 1978, p. 186

independent institutions. Of course, the legislative tuition (or offset) grant program would still be necessary to complement this need-based approach, given the fact that State subsidy per student in the public sector benefits all students irrespective of need. The level of offset grant assistance should increase in direct proportion to the average appropriation per student for undergraduate education at the state institutions.

C. Planning

The higher education community should begin now to take action relative to the retrenchment forecast for the 1980's. Uncertainties about the student pool, doubts about the increased participation by nontraditional students, and the experience of other states currently involved with a leveling of enrollments, should lead North Carolina to give serious examination to its education policy over the next biennium in light of the need for additional service in the 1980's. Specifically, we would recommend that consideration be given to the following actions:

6. The planning process, as outlined in G.S. 116-11(1) should meaningfully involve the independent sector as well as The University and Community College systems. A plan for the 1980's should be drawn up immediately with a process of three-way coordination, not simply consultation. To complete this agenda equitably, the independent sector suggests a five-part process for planning: (1) reaching consensus on goals for the "system", recognizing the role of the different sectors in meeting those goals; (2) gathering comparable information from all three sectors; (3) devising a means whereby information can be processed under assumptions agreeable to all constituent groups; (4) formulating plans and programs to achieve these goals with the opportunity for revision by the constituent groups; and (5) enunciating various policy options for the accomplishment of these goals and objectives; including the cost and priority of each option.

7. To this end we recommend that the independent sector be involved in the formulation of assumptions as well as the development of recommendations through their representative organization, the North Carolina Association of Independent Colleges and Universities.

The current mechanisms for involving the independent sector in the planning process have proven to be inadequate. The President's Advisory Council, is, in effect, a small group selected by the President of The University which meets at the President's discretion. The agenda to date has been restricted principally to proposed action and activities of The University as they relate to the independent sector, rather than the involvement of the Independents in the development of statewide policies which may impact on the sector.

The Liaison Committee, which consists of twelve representatives, four each from The University, community colleges and technical institutes, and the independent sector, is still evolving and may well provide an opportunity for a meaningful dialogue on a long-range plan. Until a firm commitment by all three sectors to undertake a coordinated effort in the development of a long-range plan is made, however, discussion of issues by the Liaison Committee will not have a substantive impact on the development of long-range planning policies.

In the process of preparing this document we have examined other related issues and concerns, the resolution of which should not be addressed unilaterally by this Council. The reality of demographic decline and the enormous impact the actions of other agencies has on student choice, lead us to suggest the following:

- Careful consideration should be given to a stabilization of enrollment at the state institutions in the undergraduate curricular programs where the independent sector has traditionally been strong. Given the space and staff available in the independent sector and the relative academic strength of the private colleges and universities in areas such as the traditional liberal arts, business, elementary and secondary education and religious studies, we believe that additional growth in such areas by The University could lead to excessive duplication where additional resources (for staff or facilities are required). This is not to say enrollment may not need to expand in those programs currently unique to The University.

By the same token, the independent colleges and universities, through their individual boards of trustees, should carefully examine any undergraduate program decisions in light of these same considerations of demographic decline and the potential for excessive duplication.

Additionally, the Department of Community Colleges and the State Board of Education should investigate the proliferation of college transfer degree programs in liberal arts at technical institutes (under the label of general education) when these services are available in private and other public senior institutions which are geographically accessible.

- Contracting with a nearby independent college or university when new educational services are needed in a particular geographic area. Contracting for educational services might provide another way for the State's tax dollars to be used most effectively. The states of Ohio and New Jersey have, for example, contracted with independent colleges to provide educational opportunities, rather than build or expand state facilities. In a time of retrenchment it is not feasible for every program to be offered at every institution. When an independent institution is located in a service area where additional educational opportunities are needed, it would be appropriate for the State to provide funds for particular programs through the independent sector. Under this concept the State would contract with an independent institution for the use of that college's facilities and personnel, at a cost not higher than that provided to a state institution for a similar educational service. Contracting with an independent college for the first two years of liberal arts (college transfer) work may be one way of maintaining the clarity of mission of the technical institutes which are chartered to offer programs in occupational and technical fields.

- Careful consideration should be given to further expansion of facilities, particularly construction of additional dormitory space, for growth of enrollment.

With dormitory and classroom spaces available in the independent sector and an enrollment decline forecast in the 1980s North Carolina's institutions of higher education have the unique opportunity to utilize the resources available to improve the quality of educational opportunity. We would hope that additional capital appropriations for the state sector would be used for qualitative purposes, including the renovation of existing structures, rather than any construction of facilities designed for enrollment growth.

By the same token, the independent colleges and universities, through their individual boards of trustees, should be cognizant of these concerns and are advised to limit capital expenditures to projects for qualitative rather than quantitative growth.

› Additional support to assist potential students in making college choices. Over the next few years the higher education community should increase the quality of information provided for prospective students. With the possibility that competition for new students will become divisive, we recommend that the state provide support for information services to college students. There is already statutory authorization for a Center to undertake this type of activity (G.S. 116-18), and a cooperative effort to enhance the quality of information may serve to increase the going-rate as well.

As we plan for the future, the independent colleges believe themselves to be partners -- not adversaries -- in the educational enterprise. While this country has a commitment to a great system of public higher education, it is also true that early in the days of our life as a nation it was established that this commitment of the United States is to a unique coordinated system of higher education which includes both independently-owned and state-owned colleges and universities, all of which serve a public purpose. The balance and consequent health of that strong system

is now threatened. The consequences of further imbalance could be very costly to us all, not only in dollars, but in the loss of a vital source of strength in our society.

We in the independent sector pledge our cooperation and support to the citizens of North Carolina and their representatives, and stand ready to assist public policymakers as they seek to determine how best to fulfill the earlier legislative mandates that the resources of independent colleges be utilized in the best interest of the State.

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R. J. Reynolds Industries, Inc.
Winston-Salem, NC 27102

Senator Ralph Scott (Elon)
Rt. 1, Box 400
Haw River, NC 27258

Lloyd C. Bost (Gardner-Webb)
1007 E. Marion Street
Shelby, NC 28150

George Norman, Jr. (Greensboro)
Burlington Industries
Box 21207
Greensboro, NC 27420

Paul Reynolds (Guilford)
1813 Azalea Drive
Wilmington, NC 28401

W. F. Womble (High Point)
P. O. Drawer 84
Winston-Salem, NC 27102

George McQuilkin (J. C. Smith)
2000 Fernclift
Charlotte, NC 28201

Tom Ogburn (Lees-McRae)
P. O. Box 1172
N. Wilkesboro, NC 28659

W. K. Mauney (Lenoir-Rhyne)
P. O. Box 682
Kings Mountain, NC 28086

Bishop Herbert Bell Shaw (Livingstone)
520 Red Cross Street
Wilmington, NC 28401

Representative John T. Church (Louisburg)
Rose's Stores, Inc.
Henderson, NC 27536

Cecil Lee Porter (Mars Hill)
P. O. Box 1185
N. Wilkesboro, NC 28659

Judge David M. Britt (Meredith)
Court of Appeals
Ruffin Bldg.
Raleigh, NC 27602

R. R. Allen (Methodist)
P. O. Box 1867
Fayetteville, NC 28302

James L. Morgan (Montreat-Anderson)
Morgan Mills
Laurel Hill, NC 28351

Senator Harold Hardison (Mount Olive)
P. O. Box 128
Deep Run, NC 28525

John J. Ferebee (N. C. Wesleyan)
412 Wildwood Drive
Rocky Mount, NC 27801

Fred E. Reiber (Peace)
4600 Pamlico Drive
Raleigh, NC 27609

Raymond Jones (Pfeiffer)
P. O. Box 966
Charlotte, NC 28201

Joseph W. Grier, Jr. (Queens)
1100 Cameron Brown Bldg.
301 S. McDowell St.
Charlotte, NC 28204

James M. Keane (Sacred Heart)
P. O. Box 2035
Monroe, NC 28110

Halbert M. Jones (St. Andrews)
308 Prince St.
Laurinburg, NC 28352

Senator Clarence Lightner (St. Augustine's)
717 Delany Drive
Raleigh, NC 27610

Eugene Hardin, Jr. (St. Mary's)
Wachovia Bank & Trust Co.
227 Fayetteville St.
Raleigh, NC 27601

Charles F. Vance, Jr. (Salem)
P. O. Drawer 84
Winston-Salem, NC 27102

John R. Larkins, (Shaw)
300 Parrish St.
Raleigh, NC 27610

E. Lee Cain (Wake Forest)
Wachovia Bank & Trust Co.
High Point, NC 27261

F. Christian Gray (Warren Wilson)
2842 Bitting Road
Winston-Salem, NC 27109

C. C. Dickson, Jr. (Wingate)
Rt. 2, Box 75
Marshville, NC 28103

PROGRAM GUIDE

AN INVENTORY OF THE

ACADEMIC, OCCUPATIONAL AND TECHNICAL PROGRAMS

OFFERED AT THE 38 NORTH CAROLINA

INDEPENDENT COLLEGES AND UNIVERSITIES

North Carolina Center for
Independent Higher Education, Inc.

JULY, 1978

FOUR-YEAR ACADEMIC DEGREE PROGRAMS

FOUR-YEAR INSTITUTIONS	NATURAL RESOURCES			ARCHITECTURE AND ENVIRONMENTAL DESIGN	AREA STUDIES	BIOLOGICAL SCIENCES						BUSINESS AND MANAGEMENT				COMMUNICATIONS			COMPUTER AND INFORMATION SCIENCES		EDUCATION															ENGINEERING						FINE AND APPLIED ARTS					
	Fish, Game, Wildlife Management	City and Regional Planning		Area Studies	Biology, general	Botany, general	Biochemistry	Zoology, general	Ecology			Business and Commerce	Accounting	Business Administration	Secretarial Studies	Communications, general	Journalism	Radio and Television	Computer Science, general	Data Processing	Elementary Education, general	Secondary Education, general	Special Education, general	Education of Mentally Retarded	Education of Deaf	Education of Emotionally Disturbed	Special Learning Disabilities	Art Education	Music Education	Math Education	Science Education	Physical Education	Health Education	Business, Commerce, Distributive Education	Engineering, general	Biomedical, general	Chemical Engineering	Civil Engineering	Electrical Engineering	Mechanical Engineering	Fine Arts, general	Art (painting, drawing, sculpture)	Art History and Appreciation	Music (performance and theory)	Music (liberal arts)	Music History and Appreciation	Dramatic Arts
ATLANTIC CHRISTIAN					•	•							•	•	•						•	•	•			•		•	•				•								•	•				•
BARBER-SCOTIA					•	•															•	•	•					•					•								•	•				
BELMONT ABBEY					•	•							•	•	•						•	•	•		•			•	•													•					•
BENNETT					•	•							•	•	•						•	•	•					•	•			•	•													
CAMPBELL					•	•						•	•	•	•						•	•	•					•	•			•	•													
CATAWBA					•	•						•	•	•					•		•	•	•		•			•	•			•	•													•
DAVIDSON					•																•	•																			•	•		•			
DUKE				•			•		•				•	•					•		•	•																			•	•		•			•
ELON					•	•						•	•	•							•	•							•			•														
GARDNER-WEBB					•									•							•	•							•			•									•	•	•	•		
GREENSBORO					•	•							•	•							•	•	•	•		•	•	•	•			•									•		•			•
GUILFORD					•	•						•	•	•							•	•				•	•	•	•			•									•		•			•
HIGH POINT					•	•						•	•	•							•	•						•	•			•														
JOHNSON C. SMITH					•	•							•	•					•		•	•							•	•	•	•	•													•
LENOIR-RHYNE					•	•								•	•						•	•				•						•														•
LIVINGSTONE					•	•								•	•						•	•										•														
MARS HILL					•	•							•	•	•						•	•						•	•			•														•
MEREDITH				•	•									•							•	•						•	•			•														
METHODIST					•									•							•	•						•	•			•														•
N. C. WESLEYAN	•				•	•							•	•							•	•						•	•			•														•
PFEIFFER					•	•							•	•							•	•						•	•			•														
QUEENS				•	•		•					•									•	•						•	•			•														
SACRED HEART					•								•	•							•				•		•	•													•	•				
ST. ANDREWS					•		•						•	•					•		•	•							•			•									•	•		•			•
ST. AUGUSTINE'S					•								•	•							•	•							•			•									•	•		•			•
SALEM				•	•								•								•	•					•		•			•									•	•		•			
SHAW			•		•									•							•	•							•			•										•					•
WAKE FOREST				•	•							•	•								•	•						•	•			•										•		•			•
WARREN WILSON				•	•									•							•	•							•			•														•
WINGATE												•																																			

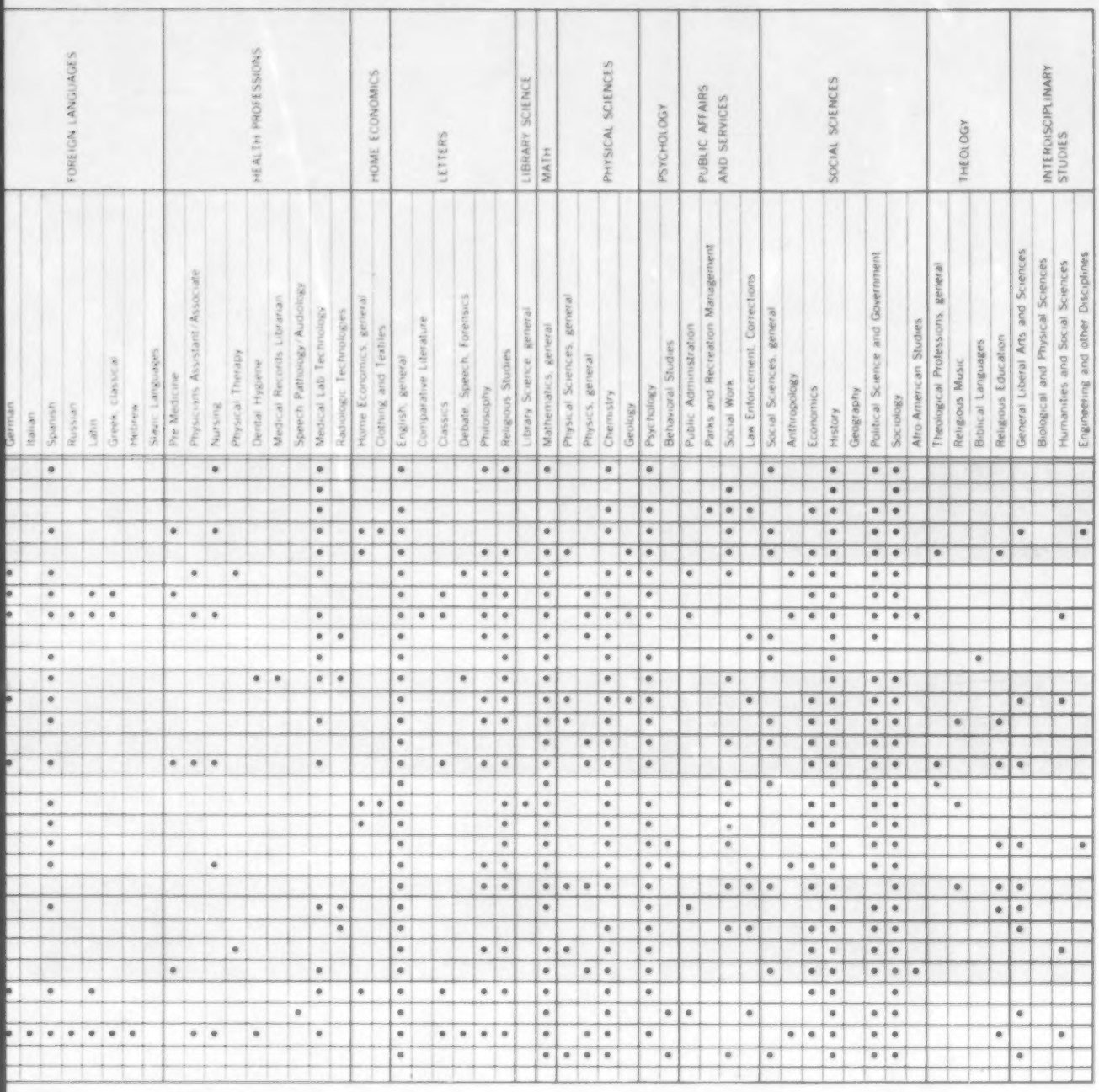
TWO-YEAR INSTITUTIONS
BREVARD
CHOWAN
LEES-McRAE
LOUISBURG
MONTREAT-ANDERSON
MOUNT OLIVE
PEACE
ST. MARY'S

Many students will find that their educational and career goals can best be met at one of the two-year independent colleges. In addition to their terminal degree programs, these institutions offer strong transfer curricula designed to prepare students for advanced standing in a four-year college or university. While completing the basic liberal arts curriculum (similar to the courses required in the first two years of most four-year colleges), students may elect appropriate courses to prepare them for their chosen major, should they decide to transfer to a four-year program.

Graduates of North Carolina's independent two-year colleges have gone on to baccalaureate study in diverse fields. In addition to the basic liberal arts and sciences, traditionally popular fields include business, graphic arts, education, and pre-professional preparation in law and medicine. Students interested in a specific institution should consult their guidance counselor or contact the institution directly.

PROGRAMS OF STUDY

North Carolina Independent Colleges & Universities



*Certification Program which is coordinated with a major in a particular discipline.

OTHER FOUR-YEAR DEGREE PROGRAMS OR OPTIONS

Belmont Abbey: Distribution Management; **Bennett:** Home Economics Education, Student Personnel Management; **Duke:** Pathology Assistance, Marine Science Concentration within several majors; **Elon:** Community Services; **Greensboro:** Legal Administration; **High Point:** Human Relations, Gerontology, Chemistry-Business, Theatre Arts Education; **N. C. Wesleyan:** Hotel and Food Service Management; **Pfeiffer:** Real Estate; **Queens:** Nuclear Medical Technology, Music Therapy; **Sacred Heart:** Distributive Management; **St. Augustine's:** Industrial Hygiene, Urban Studies; **Salem:** Arts Management, Art Therapy; **Warren Wilson:** Nurse Anesthetist; **Wingate:** Human Services.

Cooperative Program in Forestry: **Catawba, Duke, High Point, Lenoir-Rhyne, Wake Forest.**

THE INDEPENDENTS

38 Private Colleges and Universities Serving All of North Carolina

TERMINAL OCCUPATIONAL and TECHNICAL PROGRAMS	BUSINESS AND COMMERCE									DATA PROCESSING	HEALTH SERVICES											NATURAL SCIENCES	PUBLIC SERVICES		
FOUR-YEAR INSTITUTIONS	Business and Commerce	Accounting	Banking and Finance	Marketing, Distribution, Management	Secretarial Technologies	Legal Assistance	Photographic Technologies	Printing and Lithography	Applied and Graphic Art	Data Processing, general	Nursing	Nurse Anesthesiology	Medical Lab Technology	Medical Records Technologies	Medical Assistant	Nuclear Medical Technologies	Radiologic Technology	Pathology Assistance	Electro Physiological Technology	Cyto Technology	Respitory Therapy	Forestry and Wildlife	Teacher Aide	Recreation/Social Work	Administration of Justice
ATLANTIC CHRISTIAN	•				•																				
BARBER-SCOTIA		•			•																				
CAMPBELL	•				•																				
†DUKE											•				•	•	•	•	•	•	•				
ELON			•		•								•												
GARDNER-WEBB	•				•						•														
GREENSBORO						•																			
GUILFORD		•		•																					•
HIGH POINT																						•			
LENOIR-RHYNE					•																				
MARS HILL		•			•																				
QUEENS																•									
WINGATE	•			•	•									•										•	
TWO-YEAR INSTITUTIONS																									
BREVARD				•	•						•											•			
CHOWAN	•	•		•	•	•	•	•	•					•											
LEES-McRAE					•									•											
LOUISBURG	•				•																			•	
MONTREAT-ANDERSON		•			•																		•		
MOUNT OLIVE	•				•																				
PEACE	•	•		•	•																				

†Duke University offers several one or two year occupational or technical programs which require some previous study or work experience including: Clinical Psychology Internship, Hospital and Clinical Pharmacy Residency, Health Administration Management, Pastoral Care and Counseling.

Atlantic Christian College
Wilson

Barber-Scotia College
Concord

Belmont Abbey College
Belmont

Bennett College
Greensboro

Brevard College
Brevard

Campbell College
Buie's Creek

Catawba College
Salisbury

Chowan College
Murfreesboro

Davidson College
Davidson

Duke University
Durham

Elon College
Elon College

Gardner-Webb College
Boiling Springs

Greensboro College
Greensboro

Guilford College
Greensboro

High Point College
High Point

Johnson C. Smith University
Charlotte

Lees-McRae College
Banner Elk

Lenoir-Rhyne College
Hickory

Livingstone College
Salisbury

Louisburg College
Louisburg

Mars Hill College
Mars Hill

Meredith College
Raleigh

Methodist College
Fayetteville

Montreat-Anderson College
Montreat

Mount Olive College
Mount Olive

North Carolina Wesleyan College
Rocky Mount

Peace College
Raleigh

Pfeiffer College
Misenheimer

Queens College
Charlotte

Sacred Heart College
Belmont

St. Andrews Presbyterian College
Laurinburg

Saint Augustine's College
Raleigh

St. Mary's College
Raleigh

Salem College
Winston-Salem

Shaw University
Raleigh

Wake Forest University
Winston-Salem

Warren Wilson College
Swannanoa

Wingate College
Wingate

For more information contact:
THE INDEPENDENTS
P. O. Box 10187
RALEIGH, N. C. 27605